

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 358 - HB 532

March 11, 2019

SUMMARY OF ORIGINAL BILL: Authorizes dairy product producers who have a dairy plant license to produce and sell unpasteurized butter, commonly known as “raw butter”.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005576): Deletes all language after the enacting clause. Prohibits the Department of Agriculture (DOA) from regulating the production of unpasteurized butter, commonly known as “raw butter”, if such butter is produced in a facility separate from production of pasteurized products; solely for intrastate commerce; and by a person licensed by the DOA as a dairy plant. Requires any unpasteurized butter to bear a warning label.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The Department of Agriculture (DOA) reports that the United States Department of Agriculture generally regulates butter.
- The proposed legislation will not impact the DOA’s operations.
- Butter cannot be made without cream and cream must be pasteurized under federal law or it will not receive an FDA grade.
- However, raw butter can be sold under current law if the container has a label stating “for pet use only” or “not for human consumption”. In addition, raw milk and raw milk products, including but not limited to raw butter, can currently be obtained through various agreements, such as cow share agreements.

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- Due to availability of raw butter under current law, it is assumed that additional sales of raw butter in this state as a result of this legislation will be marginal and any subsequent impacts on state and local sales tax collections are estimated to be not significant.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- Because raw butter can be sold under current law with the proper labelling or obtained through various agreements, it is assumed that any impact on commerce or jobs in Tennessee will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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